




**ROYAL BANK
OF CANADA**

**NOTICE OF THE ANNUAL MEETING
OF COMMON SHAREHOLDERS
AND
MANAGEMENT PROXY CIRCULAR**

December 4, 1990



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ROYAL BANK
OF CANADA

NOTICE OF THE ANNUAL MEETING OF COMMON SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual Meeting of Common Shareholders of Royal Bank of Canada will be held in the Metropolitan Grand Ballroom, in the Convention Centre of The Westin Harbour Castle Hotel, 1 Harbour Square, in the City of Toronto, Province of Ontario on Thursday, the 24th day of January 1991 at 10:30 o'clock in the forenoon for the following purposes:

- (1) to receive the Financial Statements of the Bank for the year ended October 31, 1990, and the Auditors' Report thereon;
- (2) to elect Directors;
- (3) to appoint Auditors;
- (4) to fix the Auditors' remuneration; and
- (5) to transact such other business as may properly be brought before the meeting.

Montreal, December 4, 1990

BY ORDER OF THE BOARD

J.E. LAWSON
Vice-President and Secretary

IMPORTANT

Shareholders who are unable to be present at the Annual Meeting of Common Shareholders are requested to sign and return the enclosed Form of Proxy in the envelope provided for that purpose. Proxies must be received at the Montreal office of Montreal Trust Company, the Transfer Agent, at least 48 hours prior to the meeting.

MANAGEMENT PROXY CIRCULAR

(As of December 4, 1990, except as otherwise provided)

SOLICITATION OF PROXIES

THIS MANAGEMENT PROXY CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF ROYAL BANK OF CANADA (THE "BANK") OF PROXIES FOR USE AT THE ANNUAL MEETING OF COMMON SHAREHOLDERS OF THE BANK TO BE HELD ON THE 24TH DAY OF JANUARY 1991 AT THE PLACE AND FOR THE PURPOSES SET FORTH IN THE NOTICE OF MEETING ACCOMPANYING THIS MANAGEMENT PROXY CIRCULAR.

The cost of solicitation will be borne by the Bank. The solicitation will be primarily by mail. However, the directors, officers and regular employees of the Bank may also solicit proxies by telephone, telegram or in person.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

On November 21, 1990, the Bank had outstanding 293,267,477 Common Shares. Subject to the provisions of the Bank Act, shareholders as at the record date of December 7, 1990 are entitled to one vote for each such share held. Shareholders who acquire their shares subsequent to December 7, 1990 may acquire voting rights provided they request the Bank not later than 10 days before the meeting to add their name to the voters' list.

To the knowledge of the directors and officers of the Bank, no person on November 21, 1990 owned or exercised control or direction over more than 10% of the outstanding Common Shares of the Bank.

VOTING RESTRICTIONS

Under the provisions of the Bank Act, the voting rights pertaining to a share of the capital stock of the Bank may not be exercised if:

- (a) the shareholder is a resident of Canada who holds the share in the right of or for the use or benefit of a non-resident, other than a non-resident who is a United States resident;
- (b) the shareholder holds the share in the name or right of, or for the use or benefit of, the government of Canada or of a province, or an agent thereof (including an official, trustee or corporation administering, managing or investing a fund established to provide compensation, hospitalization, medical

care, annuity, pension or similar benefits to particular classes of individuals, or moneys derived from such a fund), or the government of a foreign state or political subdivision, or an agent thereof;

- (c) the share is held in the name or right of, or for the use or benefit of, a person and the total number of shares held by or for that person, or that person and other persons deemed to be associated with him, exceeds 10% of the outstanding shares of the Bank (a holder of 5,000 shares or less is assumed not to be associated with any other shareholder); or
- (d) the share is held by or on behalf of a guarantee fund or pension fund to which a bank or a Quebec savings bank is a contributor.

In certain cases, voting rights may be exercised notwithstanding the restrictions referred to above.

The foregoing is a summary only. A copy of the relevant sections of the Bank Act will be forwarded to any shareholder upon request made to the Secretary of the Bank at the Bank's Head Office.

APPOINTMENTS AND REVOCATION OF PROXIES

The persons named in the enclosed Form of Proxy are directors and officers of the Bank. **SHAREHOLDERS DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT THEM AT THE MEETING MAY DO SO** (see Note 3 on the Form of Proxy), either by inserting such person's name in the blank space provided in the Form of Proxy and deleting the names printed thereon or by completing another proper Form of Proxy and, in either case, delivering the completed Proxy to Montreal Trust Company, the Transfer Agent of the Bank, at least 48 hours prior to the meeting.

A shareholder who signs and returns the enclosed Form of Proxy may revoke it at any time before it is acted upon by depositing written notification at the Head Office of the Bank not later than the last business day preceding the day of the meeting or with the Chairman of the meeting on the day of the meeting or an adjournment thereof.

VOTING SECRECY

Proxies are counted and tabulated by Montreal Trust Company, the Transfer Agent of the Bank, in such a manner as to preserve the confidentiality of individual shareholder votes, except (a) where the shareholder clearly intends to communicate his or her individual position to management, and (b) as necessary to meet the requirements of applicable law.

EXERCISE OF DISCRETION BY PROXY

The shares represented by any Proxy in the form enclosed herewith and appointing the persons designated thereon or any of them to represent the shareholder at the meeting will be voted in accordance with the specifications given by the shareholder. **IN THE ABSENCE OF ANY CONTRARY INSTRUCTION, THE SHARES REPRESENTED BY PROXIES RECEIVED BY MANAGEMENT WILL BE VOTED ON ANY BALLOT WHICH MAY BE HELD "FOR" THE ELECTION OF THE MANAGEMENT NOMINEES FOR DIRECTORS, "FOR" THE APPOINTMENT OF THE AUDITORS NAMED HEREIN, "FOR" THE FIXING OF THE REMUNERATION OF SUCH AUDITORS AND "FOR" THE MANAGEMENT PROPOSALS GENERALLY.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting.

As at the date hereof, management is not aware that any other matter is to be presented for action at the meeting. If, however, other matters properly come before the meeting, the persons designated in the enclosed Form of Proxy will vote thereon in accordance with their judgement pursuant to the discretionary authority conferred by such Proxy with respect to such matters.

A simple majority of the votes cast at a meeting, whether by Proxy or otherwise, will constitute approval of any matter submitted to a vote at the meeting.

ELECTION OF DIRECTORS

The Board consists of a minimum of 20 and a maximum of 50 directors, who are required to be elected annually. The persons named on the enclosed Form of Proxy intend to vote for the election of the nominees whose names are set forth below and who are now directors. Each director will be elected to hold office until the next Annual Meeting of Common Shareholders or until such office is earlier vacated.

The Board of Directors does not have an executive committee. **Directors who are members of the audit committee are so designated herein.** The undernoted table sets forth the names of the persons proposed to be nominated for election as directors together with their principal occupation, the year in which they became directors of the Bank and the number of shares beneficially owned, directly or indirectly, or over which control or direction was exercised on November 21, 1990.

Additionally, as required by the Bank Act, set out below is a summary of the record of attendance by directors at Board, Committees of the Board and Regional Director Committee meetings during the 12 months ended October 31, 1990. During this period, 12 Board meetings were held: Montreal (6), Toronto (4), Winnipeg (1), Quebec City (1). Committees of the Board held meetings as follows: Audit (6), International Strategic Issues (2), Loan Policy (24), Nominating (3), Personnel & Compensation (4), Public Policy (4). Regional Director Committees held meetings as follows: Atlantic (5), Quebec (4), Ontario (4), Manitoba (4), Saskatchewan (6), Alberta (7), British Columbia (12), New York (4), London, England (5).

Name & Principal Occupation	Municipality of Residence	Director Since	Shares of the Bank Beneficially Owned*		Number of Meetings Attended Board Committees	
			Common	Preferred		
Sir James Ball, M.A., Ph.D. Professor of Economics London Business School (During past five years, has held current position)	London, England	Sept. 5, 1990	1,800	—	2	1
Ian A. Barclay Associate McQuaid & Associates Consulting Ltd. (Corporate mergers, acquisitions, divestitures & related services) (Member Audit Committee)	Vancouver, B.C.	April 3, 1973	14,150	—	11	18
George H. Blumenauer Chairman of the Board Otis Canada, Inc. (Manufacturers of elevators)	Oakville, Ontario	Dec. 2, 1969	9,400	—	11	26
Robert W. Campbell Retired Chairman Canadian Pacific Limited (Oil & gas, mining, forest products and transportation)	Calgary, Alberta	March 6, 1984	600	—	8	5
Robert M. Chipman Chairman The McGill-Stephenson Company Limited (Automotive/Real estate)	Winnipeg, Manitoba	May 5, 1986	10,616	—	12	7
John E. Cleghorn † President & Chief Operating Officer Royal Bank of Canada	Westmount, Quebec	Nov. 3, 1987	12,446	—	11	31
Ronald L. Cliff, C.M., C.A. Chairman BC Gas Inc. (Energy company) (Member Audit Committee)	Vancouver, B.C.	April 7, 1987	65,150	—	12	16
George A. Cohon, C.M., B.Sc., J.D. Chairman, President and Chief Executive Officer McDonald's Restaurants of Canada Limited (Quick service restaurants)	Toronto, Ontario	June 1, 1988	2,000	—	9	6

Name & Principal Occupation	Municipality of Residence	Director Since	Shares of the Bank Beneficially Owned*		Number of Meetings Attended Board Committees	
			Common	Preferred		
Pierre Des Marais II President and Chief Executive Officer UniMedia Inc. (Publishing) (During past five years, held executive positions with Canadair Limited, Carling O'Keefe Limited and since July, 1987 has held current position)	Montreal, Quebec	March 6, 1990	786	—	7	5
Mitzi S. Dobrin, C.M. Chairman & Chief Executive Officer DBRN Holdings Ltd. (Investment company)	Montreal, Quebec	Nov. 30, 1976	4,855	—	11	26
John R. Evans, C.C., M.D. Chairman Allelix Biopharmaceuticals Inc. (Biotechnology) (Member Audit Committee)	Toronto, Ontario	March 6, 1984	3,000	—	11	10
John T. Ferguson President & Chief Executive Officer Princeton Developments Ltd. (Real Estate) (During past five years, has held current position)	Edmonton, Alberta	April 3, 1990	1,000	—	5	12
Jock K. Finlayson Company Director	Verdun, Quebec	April 7, 1970	9,818	—	12	8
Rowland C. Frazee, O.C. Retired Chairman Royal Bank of Canada	Town of Mount Royal, Quebec	Feb. 28, 1973	20,004	—	12	8
Arden R. Haynes Chairman and Chief Executive Officer Imperial Oil Limited (Integrated petroleum company)	Don Mills, Ontario	June 11, 1985	521	—	11	4
Charles H. Knight Chairman and Chief Executive Officer Denro Holdings Ltd. (Land development)	Regina, Sask.	Feb. 1, 1983	2,500	—	12	7
Walter F. Light, O.C., O.Ont. Retired Chairman Northern Telecom Limited (Manufacturers of telephone equipment, wire & cable) (Member Audit Committee)	Toronto, Ontario	July 11, 1978	11,000	—	10	8

Name & Principal Occupation	Municipality of Residence	Director Since	Shares of the Bank Beneficially Owned*		Number of Meetings Attended Board Committees	
			Common	Preferred		
The Hon. E. Peter Lougheed, P.C., C.C., Q.C. Senior Partner Bennett Jones Verchere (Barristers & Solicitors)	Calgary, Alberta	Feb. 4, 1986	400	—	10	7
Clifford S. Malone Vice-Chairman United Corporations Limited (Investments) (Director, Royal Bank Leasing Inc.)	Toronto, Ontario	May 20, 1975	5,000	—	12	11
Alexander B. Marshall Company Director (Director, The Royal Bank of Canada Holdings (U.K.) Limited) (Member Audit Committee)	London, England	Oct. 1, 1985	—	—	9	13
J. Pierre Maurer Retired Vice-Chairman of the Board Metropolitan Life Insurance Company (New York) (Life insurance company) (Member Audit Committee)	New York, N.Y.	April 23, 1975	16,322	—	12	14
G. Wallace F. McCain President McCain Foods Limited (Frozen foods)	Florence- ville, N.B.	Sept. 3, 1986	119,000	—	10	3
Dawn R. McKeag President Walford Investments Ltd. (Holding company)	Winnipeg, Manitoba	Mar. 1, 1978	11,730	200 (1st B)	12	12
J. William E. Mingo, Q.C. Barrister Stewart McKelvey Stirling Scales (Barristers & Solicitors)	Halifax, N.S.	April 5, 1983	12,976	—	12	27
J. Edward Newall Chairman and Chief Executive Officer Du Pont Canada Inc. (Chemicals)	Toronto, Ontario	Sept. 5, 1984	2,140	—	8	3
Ralph A. Pfeiffer, Jr. Retired Chairman & Chief Executive Officer IBM World Trade Corporation (Technology) (Member Audit Committee)	Greenwich, Connec- ticut	June 12, 1984	600	—	9	11

Name & Principal Occupation	Municipality of Residence	Director Since	Shares of the Bank Beneficially Owned*		Number of Meetings Attended Board Committees	
			Common	Preferred		
Neil F. Phillips, Q.C. Resident Senior Counsel Goodman Freeman Phillips & Vineberg (Barristers & Solicitors)	New York, N.Y.	Feb. 1, 1972	18,000	—	10	5
Herbert C. Pinder President Saskatoon Trading Company Limited (Property holding company)	Saskatoon, Sask.	June 5, 1970	9,321	—	12	25
Claude Pratte, Q.C. Counsel Stein, Monast, Pratte & Marseille (Barristers & Solicitors)	Quebec, Quebec	May 9, 1967	12,372	—	10	7
Charles I. Rathgeb Company Director (Private Investments)	Toronto, Ontario	Dec. 1, 1970	40,000	—	10	4
Kenneth C. Rowe, F.C.I.S. Chairman, President and Chief Executive Officer I.M.P. Group Limited (Aerospace, marine products & manufacturing)	Halifax, N.S.	Nov. 5, 1985	111,000	—	11	7
Guy Saint-Pierre President and Chief Executive Officer The SNC Group (Engineering & Manufacturing) (During past five years, held executive positions with Ogilvie Mills, John Labatt Ltd. and since January, 1989 has held current position)	Montreal, Quebec	Nov. 6, 1990	2,728	—	—	—
Robert T. Stewart Chairman, President and Chief Executive Officer Scott Paper Limited (Canadian manufacturers of sanitary & convenience paper products)	Vancouver, B.C.	April 5, 1988	600	—	11	12
Allan R. Taylor † Chairman & Chief Executive Officer Royal Bank of Canada	Don Mills, Ontario	June 7, 1983	35,318	—	12	35
John A. Tory, Q.C. Deputy Chairman The Thomson Corporation (Publishing and holding company) (Member Audit Committee)	Toronto, Ontario	Mar. 10, 1971	30,199	—	11	10
William P. Wilder Company Director	Toronto, Ontario	Sept. 9, 1980	50,000	—	11	28

* Includes shares over which control or direction was exercised as of November 21, 1990 by the person named even in those cases when beneficial ownership of some or all of the shares is disclaimed.

† See the Phantom Plan described under "Long Term Performance and Investment Plan" on Page 9.

Directors during fiscal 1990 who are not standing for re-election on January 24, 1991 attended meetings as follows:

	Board	Committee
Frank B. Common, Jr., Q.C.	9	5
Camille A. Dagenais, C.C., LL.D.	12	24
Jean-Claude Delorme, O.C., Q.C. O.N.Q.	7	11
G. Campbell Eaton, O.C., M.C., C.D., LL.D.	11	8
Lorne F.J. Hehn	11	6
W. Earle McLaughlin	2	5
A.H. Michell	9	6

DIRECTORS' AND OFFICERS' REMUNERATION

During the fiscal year ended October 31, 1990, the aggregate remuneration paid by the Bank and its subsidiaries to its directors and officers was as shown in the table below. Directors are compensated as follows: (i) annual retainer of \$16,000; (ii) each Board meeting attended - \$750; (iii) each Board Committee meeting attended - \$700; (iv) Loan Policy Committee \$350 per meeting plus an annual retainer of \$2,500; (v) Committee chairpersons (excluding Regional

Committees) receive an additional annual retainer of \$2,000; and (vi) each Regional Committee meeting attended to a maximum of four - \$700. Effective November 1, 1990, the fee for attendance at each Board meeting has been increased from \$750 to \$900. Directors are reimbursed for transportation and other expenses incurred for attendance at Board and Committee meetings.

	Directors' Fees	Salaries	Other (Note 1)	Total
Remuneration of Directors				
A) No. of Directors: 40				
B) Corporation incurring the expense				
Royal Bank of Canada	\$1,173,260			\$1,173,260
Royal Bank Leasing Inc.	8,250			8,250
The Royal Bank of Canada Holdings (U.K.) Limited	4,500			4,500
Remuneration of Officers				
A) No. of Officers: 224 (including retirees during year)				
B) Corporation incurring the expense				
Royal Bank of Canada	45,083	25,290,829	2,744,518	28,080,430
Totals	\$1,231,093	\$25,290,829	\$2,744,518	\$29,266,440

Note 1 - Aggregate value of the compensation shown does not exceed the lesser of \$25,000 times the number of persons in the group, or 10% of the aggregate salaries stated above. Figure consists of benefits other than salary to officers on transfer to national and international locations (\$2,060,424) as well as the Bank's contributions on behalf of officers to the Employee Savings Plan (\$684,095). There were no non-accountable expense allowances.

LONG TERM PERFORMANCE AND INVESTMENT PLAN

Currently, 189 officers are voluntary participants in this Plan whereunder the Bank makes loans or arranges for another financial institution to make loans to eligible officers in amounts determined by the Personnel and Compensation Committee of the Board of Directors, which amounts are used exclusively to purchase Common Shares of the Bank at then applicable market prices. Loans made by the Bank are interest free and the Bank reimburses the interest paid by eligible officers on the loans arranged with the other financial institution. These loans are subject to reduction by the amounts of performance awards made to participants after three years on targets determined at the beginning of each three-year performance period based on projected three-year compound growth in the book value of Common Shares and the Bank's return on equity in the third year of the performance period. In the event of retirement after age 55 and 10 years of continuous service, the balance, if any, of any loan outstanding at the end of the last performance period in which the retirement occurs, after application of any performance award and the proceeds from the disposition of the shares, is forgiven.

A Phantom Plan corresponding in its terms to the captioned Plan is in place for those officers who are directors of the Bank. Loans are not made and shares are not purchased but at the end of each three-year performance period calculation is made as if loans had been made and the shares purchased and disposed of at the end of each performance period with the same effect as under the Plan. The numbers of equivalent shares deriving from the participation of the following officers of the Bank in the Phantom Plan as of October 31, 1990, were as follows:

<u>Name of Officer</u>	<u>Equivalent Shares</u>
A.R. Taylor	39,510
J.E. Cleghorn	16,548

Performance awards made in January 1990 pertaining to the three-year performance period ended October 31, 1989, including amounts determined for Phantom Plan participants, amounted to \$3,106,805. The aggregate amount of such awards to be made subsequent to October 31, 1990 pertaining to the performance period ended October 31, 1990 is estimated to be \$4,400,000.

INCENTIVE PLAN

Incentive bonuses based on individual performances and the general financial performance of the Bank in relation to targets for return on equity in each fiscal year are paid following the end of the fiscal year to officers and employees. The aggregate of such bonuses for the period ended October 31, 1989 in respect of officers was \$9,855,273. The aggregate of such bonuses to be paid to officers subsequent to October 31, 1990 pertaining to the fiscal year then ended has not yet been determined but is estimated to be \$8,100,000.

AUTOMOBILE PLAN

Officers are eligible to participate in a leased automobile program for business and personal use. Rental, maintenance and operational costs are for account of the Bank. Costs attributable to this Plan in the last fiscal year are estimated at \$2,255,771.

STAFF LOAN PLAN

Eligible employees are permitted to borrow from the Bank, within certain prescribed limits and subject to the normal credit granting criteria applied to regular customer loans, at varying staff interest rates for purchases of or improvements to residential properties, investments in shares of the Bank, purchases of durable consumer goods or for certain other personal use purposes. Deemed taxable benefits arising from all loans outstanding to officers in the last fiscal year pursuant to Section 80.4 of the Income Tax Act (Canada) are estimated at \$2,100,000.

TERMINATION OF EMPLOYMENT (Retirement)

Pension and retirement allowance plans are in effect to provide certain senior officers on retirement with annual retirement income of up to 60% of final average salary (including short term incentive bonus). Lump sum retirement allowance payments equal to 1% x years of service to December 31, 1986 x salary as at December 31, 1986 are also paid. The value of the foregoing compensation exceeds \$60,000.

INDEBTEDNESS OF DIRECTORS

Except as stated hereunder, none of the Bank's directors, or proposed nominees for election as directors, were indebted to the Bank or any of its subsidiaries during the year ended October 31, 1990 other than for such loans as are excluded from reporting by the form of proxy regulations under the Bank Act and applicable Canadian

securities laws. The undernoted are also senior officers or former senior officers of the Bank and as such received loans to assist in the acquisition of housing or Bank shares or for personal requirements and for participation in the Bank's Long Term Performance and Investment Plan.

Name & Address	Maximum Indebtedness During Year Ended October 31, 1990	Balance Outstanding November 21, 1990	Interest Rate
J.E. Cleghorn, Montreal	632,672	599,226	3, 6, 6.5, 13.75%
J.K. Finlayson, Montreal	15,000	15,000	3%
A.R. Taylor, Toronto	643,337	441,376	3, 6.5, 13.75%

INDEBTEDNESS OF OFFICERS

Loans granted under the Bank's Staff Loan Plan which are not within the definition of routine indebtedness set out in the proxy regulations under applicable Canadian securities laws amounted to an aggregate of \$25,433,407.

Housing loans, secured by collateral mortgage and primarily related to Bank initiated transfers of officers to major metropolitan areas in Canada, the United States and the United Kingdom, included in the above aggregate totalled \$14,920,891 and are amortized over 20 or 25 years. The first \$50,000 of such housing loans is granted at 1% interest per annum, the balance at 4% per annum, for an initial 3-year period; in the fourth year the rates are 2% and 5% per annum respectively. Thereafter, these loans currently bear interest at rates between 3% and 6% per annum. Loans granted to assist with housing purchases not made in conjunction with Bank initiated transfers bear interest at a minimum 6% rate per annum subject to review at the end of 5 years.

Housing loans secured by mortgages not granted under the Bank's Staff Loan Plan which are not within the definition of routine indebtedness set out in the proxy regulations under applicable Canadian Securities laws amounted to an aggregate of \$3,616,218. Such housing loans bear interest at the Bank's regular customer rates and vary depending on term. Currently the Bank's interest rates on mortgages to customers vary from 12.75% to 13% per annum. Loans other than for housing, including those made for short term bridging purposes, total \$6,533,992 and bear interest at rates between 3% per annum and Royal Bank Prime. There is an additional \$3,978,524 in interest free Bank loans and a further \$4,495,130 of market rate loans arranged through another financial institution on which the Bank reimburses interest paid by officers, all such loans being used to purchase Common Shares of the Bank pursuant to the provisions of the Bank's Long Term Performance and Investment Plan.

Name & Address	Maximum indebtedness during year ended October 31, 1990	Balance outstanding November 21 1990
N.C. Achen, Toronto	108,517	100,822
G.C. Aitken, Toronto	88,368	58,476
W.B. Aitkenhead, Kitchener	27,488	21,926
O.W. Allen, Toronto	115,021	112,169
J.D. Anderson, Toronto	182,731	169,902
G.C. Appleton, Toronto	223,749	223,343
R.L. Arsenault, Montreal	51,051	36,496
C.A. Aubut, Montreal	167,379	19,292
W.D. Bannister, Winnipeg	132,600	131,932
M.C.S. Baptista, Burlington	282,446	265,808
M.A. Bastian, Toronto	85,674	81,441
S.E. Benford, Toronto	154,955	151,440
J.P. Beland, Montreal	58,463	49,231
D.A. Berardinucci, Montreal	309,307	303,779
G.R. Bernard, Quebec City	66,183	44,162
R.G. Bernard, Montreal	54,582	45,844
E. Bigsby, Montreal	11,385	11,385
T.W. Bleackley, Toronto	301,375	146,217
R. Bodt, Toronto	157,322	145,441
J.H.E. Bolduc, Montreal	148,794	91,711
J.E.Y. Bougard, Montreal	80,473	76,179
A.A. Bowbyes, Toronto	32,677	23,344
J.K. Breen, Toronto	158,340	120,216
J.P.W. Brewster, New York	243,469	235,486
G.R. Bright, Vancouver	275,200	269,646
H.G. Buckrell, Montreal	283,777	254,425
W.C. Bull, Montreal	193,078	178,864
J.T. Burnett, Toronto	272,930	239,335
L.M. Buth, Toronto	68,931	66,907
P.A. Case, Toronto	28,504	20,607
B.D. Champion, Toronto	29,596	21,308
R.S. Chang, Toronto	115,575	61,699
W.B. Cockburn, Burlington	150,845	139,646
C.S. Coffey, Winnipeg	26,961	19,488
A.B. Colpitts, Toronto	276,672	260,787
M.A. Corlett, Toronto	305,122	291,800
L.J. Coulas, Toronto	214,092	202,023
C.J. Coveyduck, Halifax	85,429	85,277
A.R. Creasor, Calgary	211,260	213,199
D.R. Delamere, Toronto	191,441	187,790
G.A.A. Dickson, Toronto	11,614	11,614
W.R. Dinwoodie, Burlington	257,081	256,668
D.J. Dixon, Toronto	48,327	47,727
J.D. Dixon, Toronto	92,849	25,000
S.L. Donofrio, Quebec City	230,082	199,772
D.W. Dougherty, Toronto	49,132	48,331
J. Driedger, Toronto	227,338	207,814
L.G. Edmonds, Regina	81,142	65,423
H.E. Elsie, Toronto	221,926	198,765
G.E. Farrow, Toronto	157,803	147,606
J.R.J. Fauvel, Montreal	89,090	94,000
G.J. Feeney, Montreal	335,100	313,864
E.D. Ferguson, Montreal	207,428	193,903
W.R. Fithern, Montreal	48,273	34,533
C.L. Fong, Calgary	30,142	21,821
L.C. Fraser, Burlington	193,472	177,437
R.C. French, Toronto	259,873	253,738
G.F. Gaffney, Vancouver	497,948	485,665
W.N. Galbraith, Montreal	193,730	193,547
D.C. Gale, Toronto	303,605	299,292
W.T. Gale, Saint John	46,716	46,144

Name & Address	Maximum indebtedness during year ended October 31, 1990	Balance outstanding November 21 1990
B.C. Galloway, Toronto	96,748	92,847
J.J. Gannon, Montreal	86,706	84,996
G.M. Gartner, Vancouver	261,019	256,475
R. Gazard, Toronto	65,950	56,464
T.P. Gibbs, Hong Kong	36,809	31,294
L.K. Gieck, Calgary	63,368	47,911
W.H. Gilbert, Toronto	34,878	25,708
G. Gill, Montreal	515,766	262,240
G.D. Gillespie, New York	253,596	238,561
T.L. Gleason, Atlanta, Ga.	145,505	140,953
R.J. Goom, London, England	276,005	271,815
W.J. Gorman, Toronto	180,655	118,046
J.C. Grant, Toronto	90,150	81,275
R.S. Grant, Toronto	274,457	247,637
B.M. Gray, Montreal	172,419	140,852
R.B. Gray, Toronto	115,687	113,134
B.D. Gregson, Toronto	203,844	147,916
D.D.E. Grier, Toronto	170,127	155,017
P. Grierson, Toronto	188,516	184,307
B.P. Griffiths, Toronto	79,696	37,720
J.R. Groves, Toronto	184,341	172,658
J.A.R. Guay, Montreal	83,148	76,035
R.F. Gulliford, Toronto	99,354	97,224
R.G. Hall, Toronto	287,676	256,129
K.W. Harrison, Winnipeg	257,190	256,958
M.P. Harvie, Toronto	352,522	341,947
R.A.R. Haskins, Vancouver	70,256	22,029
J.M.S. Hatley, Toronto	173,629	136,560
G.R. Heckman, Toronto	33,240	23,973
J.E. Henry, Edmonton	179,615	158,686
A.J. Hogan, Toronto	211,409	198,656
A.E. Holder, Toronto	166,777	163,066
R.J.V. Howland, Toronto	192,211	185,769
H.A. Jacobsen, Nassau, Bahamas	64,872	23,249
G.J. Johnson, Toronto	361,887	359,819
R.M. Juneau, Toronto	136,297	124,480
M.R. Keller, Toronto	170,860	170,171
B.V. Kelly, Toronto	190,857	192,005
K.N. Kikano, London, England	90,652	81,260
D.N. Kitchen, Calgary	95,833	101,587
J.R. Klassen, Toronto	269,735	265,245
F.H.S. Lablans, Toronto	222,227	221,237
R.C.A. Lafontaine, Los Angeles, Ca.	241,089	219,404
J.Y. Lawrie, Hong Kong	27,341	19,705
J.E. Lawson, Montreal	156,059	153,057
D.M. Leahey, Montreal	217,506	208,576
T.E. Leather, Montreal	285,204	278,411
B.F. Legg, Singapore	72,453	67,336
J.E.D. Lepage, Montreal	305,997	298,035
K.A. Littlewood, Hato Rey, Puerto Rico	92,581	82,723
D.H. Loucks, Montreal	199,350	198,876
E.J. Lundy, Vancouver	213,894	191,183
C.H. Macoun, Toronto	70,211	68,238
F.G. MacDonald, Toronto	220,743	165,938
W.A.R. MacDonald, Toronto	292,937	290,286
I.A. MacKay, Toronto	285,533	267,433
J.K. MacKay, Toronto	203,437	191,375
G.T. MacKenzie, Montreal	112,210	104,760
A.S. MacNeill, Ottawa	60,427	49,140

Name & Address	Maximum indebtedness during year ended October 31, 1990	Balance outstanding November 21 1990
C.D. Maloney, Bridgetown, Barbados	290,656	286,743
S.C. Marks, Toronto	263,950	261,564
C.R. Markwell, Montreal	103,726	102,457
B.C. Marshall, Montreal	227,026	215,456
R.A. Masleck, London, England	49,340	35,536
A.A. McArthur, Houston, Texas	54,031	51,469
W.J. McCartney, Montreal	172,265	168,786
E.R. McCutcheon, New York	92,969	78,979
T.R. McDermid, Toronto	228,473	215,758
V.G. McKay, Tokyo, Japan	78,611	64,578
D.R. McLennan, Hamilton	287,639	212,428
G.A. McNish, Toronto	169,286	165,921
J. Merriam, Montreal	74,002	71,037
J.M. Messmer, Toronto	51,930	41,046
S.A. Middaugh, Halifax	98,065	97,758
W.J. Mills, Toronto	45,619	45,015
M.A.R. Mimeault, Montreal	162,360	138,376
A. Mirrlees, Toronto	24,946	24,946
W.T. Moodie, New York	62,150	54,475
T.C. Morris, Montreal	172,748	143,000
K.J. Morrison, Toronto	176,487	122,655
F.M. Munsters, Toronto	202,512	200,450
J.J. Murphy, Winnipeg	137,820	134,770
W. Murray, Burlington	227,866	218,595
I. Muskat, Toronto	404,323	396,642
E.P. Neufeld, Toronto	113,980	93,094
P.A. Palmer, Burlington	193,952	180,262
R.R. Parker, Ottawa	333,549	333,410
W.R. Penner, Vancouver	37,910	27,435
R.S. Pennycook, Montreal	222,711	209,727
H.I. Phillipps, Toronto	266,640	255,826
H.A. Philpott, Regina	27,972	20,237
A.A. Poirier, Montreal	207,930	205,593
J.H. Prenger, Toronto	201,063	198,368
J.N. Primeau, Tokyo, Japan	47,605	44,205
D.P. Pritchard, London, England	21,972	21,972
P.J. Rafuse, Toronto	85,972	79,999
J.T. Rager, Montreal	285,753	269,255
J.N.T. Rednall, Sao Paulo, Brazil	100,964	86,246

Name & Address	Maximum indebtedness during year ended October 31, 1990	Balance outstanding November 21 1990
J.B. Reynolds, Victoria	149,951	146,645
R.H. Riviere, Toronto	321,303	307,407
D.L. Robertson, Toronto	320,983	305,004
M.J. Ross, New York	59,067	50,625
R.J. Sankey, Toronto	12,147	12,147
G.A. Scammell, London, England	12,299	12,299
R.C. Schneider, Calgary	43,135	70,106
B. Schroder, Toronto	254,575	240,938
J.H. Shaw, Montreal	35,322	33,021
K.A. Smee, Toronto	72,996	64,427
R.F.M. Smith, Calgary	130,076	119,343
R.L. Spicer, Montreal	28,929	20,901
W.D. Squires, Calgary	54,164	52,058
R.E. Stanley, Toronto	300,895	289,469
E.G. Stone, Toronto	235,968	228,653
R.J. Sutherland, Halifax	224,111	207,617
J.K. Talbot, Toronto	203,851	193,538
G.G. Tallman, Montreal	264,753	264,424
G.P. Tatrallyay, New York	248,220	241,318
P.A. Taylor, Toronto	295,506	270,028
R. Thomas, Montreal	73,834	72,352
A.J. Thomson, Montreal	19,724	19,724
A.L. Tower, Calgary	97,954	81,351
R.E. Travis, Toronto	30,371	21,886
J.K. Truman, Toronto	28,864	28,258
P.H. Tucker, Montreal	216,493	197,062
M.L. Turcotte, Montreal	134,096	133,835
A.G. van Schalkwyk, Toronto	28,216	20,417
F.J. Vanni, Toronto	305,750	304,040
K.A. von dem Hagen, Toronto	134,968	123,426
D.G. Waddingham, Calgary	60,721	60,721
J.A.S. Walker, Ottawa	198,171	189,936
J.M. Walker, New York	403,118	388,629
D.S. Walters, St. John's	125,406	121,357
J.C. Walz, Toronto	30,416	22,089
A.A. Webb, Montreal	388,340	383,132
D.S. Wells, Montreal	117,273	105,257
J.A. Williams, Tokyo, Japan	70,825	56,178
R.D. Williamson, Chicago, Ill.	305,529	296,044

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Bank has purchased at its expense group liability insurance in the amount of \$50,000,000 for its protection and for the protection of its directors and officers against liability incurred by them in their capacities as directors and officers of the Bank and its subsidiaries. During fiscal 1990, the policy was extended from December 28, 1989 to May 1, 1990. The policy was renewed for a period of one year to May 1, 1991. Effective July 23, 1990 the Bank increased the limit of insurance

to \$75,000,000. For the period December 28, 1989 to May 1, 1991, the Bank paid a total premium of \$1,293,562 of which \$1,164,204 was for the Bank's protection; \$64,679 was in respect of the directors as a group; and \$64,679 was in respect of the officers as a group. In any case in which the Bank is not permitted by law to reimburse the director or officer, no deductible applies. Where the Bank is permitted to reimburse the director or officer, the deductible is \$5,000,000.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Since the commencement of the Bank's last completed financial year, the Bank has not entered into any transaction with any present, contemplated or proposed director or with any proposed management nominee for election as a director or with any officer or any associate of or any corporation controlled by any such director or officer, nor does it propose to enter into any such transaction that has materially affected or will materially affect the Bank or any of its subsidiaries.

LEGAL PROCEEDINGS

The Bank continued to be subject to various lawsuits challenging certain of its practices or actions. A majority of these suits are loan-related. That is, they involve claims or counterclaims brought in reaction to steps the Bank has taken to collect delinquent loans and enforce rights it has in collateral securing such loans. As at November 21, 1990 the aggregate liability which could result from all these suits, however, was not considered material.

APPOINTMENT OF AUDITORS

The Bank Act requires shareholders to appoint two firms of accountants to be the Auditors of the Bank until the next Annual Meeting. If the same two firms have been appointed for two consecutive years, one such firm shall not be appointed for a period of two years following the expiration of the term of its last appointment. The firms of Deloitte Haskins & Sells, Touche Ross & Co. and Price Waterhouse and the merged firm of Deloitte & Touche have held appointments on the foregoing basis during the five financial years ended October 31, 1990.

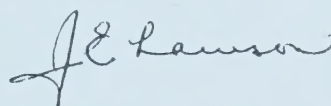
Deloitte Haskins & Sells (appointed in 1990) and Touche Ross & Co. (reappointed in 1990) merged on February 1, 1990, thereby creating a vacancy, and the directors of the Bank filled such vacancy by the appointment of Price Waterhouse.

The persons named in the enclosed Form of Proxy intend to vote for the reappointment of Deloitte & Touche (served since February 1, 1990) and the reappointment of Price Waterhouse (served since February 1, 1990) as Auditors of the Bank until the Annual Meeting of Common Shareholders to be held in 1992.

The persons named in the enclosed Form of Proxy intend to vote to fix the remuneration of the Auditors of the Bank at a sum not to exceed \$875,000 (1990 - \$798,000) to be divided between them.

DIRECTORS' APPROVAL

The Board of Directors of the Bank has approved the contents and sending of this Management Proxy Circular.



J.E. Lawson
Vice-President & Secretary

Montreal, December 4, 1990

